

Impact of Digital Marketing in Tourism Industry of Sri Lanka

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Abstract

The study explores to understand the impact of digital marketing in tourism industry in Sri Lanka. Tourism industry plays a major role in the economic growth of the country. It provides the economic, social and environmental benefits for the country. For this study, Sample has selected from Arugambay's hotels employees and tourists who visited in that places. Descriptive and correlation analysis have done to attain the results. There is a significant impact on the digital marketing in the tourism industry. In Sri Lanka there are number of techniques used to improve the tourism industry however applications of digital marketing have substantial impact on tourism industries' performance.

Keywords – Digital Marketing, Tourism, Economic, Social, Descriptive, Correlation

I. INTRODUCTION

In the current business world, the use of technology, online community has become an important tool in creating effective relationships with consumers. Many organizations including companies that are related to service sector are using online communities, tools as new marketing channels to get in touch with their consumers. In current Sri Lankan context the tourism industry has become one of the booming industries where new innovations have taken place to attract new customer bases. The crucial participation of consumers in online activities for business purposes have led for many hospitality establishments to increase their participation in Digital Marketing activities. The adoption of e-commerce in the tourism sector has become one of the main business improvement areas in the hotel industry that seems unavoidable in competing and even surviving in a highly competitive industry. Many firms attempted to adopt e-commerce to upgrade their competitive capabilities but it seems e-commerce related businesses performance has not improved significantly over the years. In order to review this problem in the Sri Lankan tourism sector [1]. Past decades tourism is heavily depend on word of mouth marketing; it is shared by friends and family who inspired and helped in planning our travels often guided by tourism guides, magazines, and travel agencies. However, today with the emergence of the digital technologies, the word of mouth information has extended beyond a limited group to the entire world. Social Media as a part of the digital technology revolution now connects travelers to the opinions and recommendations of millions of people, including friends in their social network and likeminded travelers they have never even met. Tourism organizations have taken advantage of this amazing technology by increasing their promotions of destinations and products on Social Media with the sole aim of reaching out to the masses [2]. Tourism is a very fragmented industry and marketing a destination requires strong partnerships and a coordinated marketing effort among a wide and varied range of sectors, which includes accommodation, transportation and visitor attractions. Among developing country experience, Sri Lanka's dependence on tourism has increased dramatically [3]. The increase influence of the tourists on using internet - based facilities for their purchasing behaviors have led the tourism Organizations to focus more on planning activities that are related more with digital tools. In present scenario internet has become the main base of travel and Tourism Industry. This has led the organizations to develop their marketing plans with the base of higher weight on the digital tools. The internet has become important for tourism since it links the interest of the individuals to travel to different locations and cultures and help the individuals to search and book different services and products with easy access. The current tourism industry consists with various segments and mainly this involves consumption of food and beverages, providing of accommodation etc. With the development of the surrounding that we live on currently tourism Sector has become more of a commercialized experience where customers pay for the services and the goods that they consumed in a hospitality accommodation with the use of a bill. The tourism industry is considered as a broad industry compared to any other industry in the world. With the use of Tourism Accommodations many specialized businesses are generated focusing on the customer satisfaction and customer recreational needs. The main reason for the tourism industry to develop further is relying on customer's happiness and providing full satisfaction to them since this business is mainly based on providing luxury services to customers [4]. Main reasons for some of these tourism establishments to fail is selection of unattractive locations, poor customer service, lack of accounting and poor non-existent marketing or advertising. To be a successful business owner in the tourism market it is important to focus on the above-mentioned factors when carrying out the advertising and marketing activities. When it comes to marketing the digital Presence and social

media plays an important part in current travel and hospitality marketing setting. In current business setting it is important to have a high - quality website which has an online booking system where customers have the ability to easily log in and do their reservations and other researches. In present many hotels and travelers tend to review new websites such as trip adviser, booking.com, etc.; to make their hotel reservations and travel plans.

A. Problem Statement

The increasing influence of the tourists on using internet-based facilities for their purchasing behaviors have led the hospitality organizations to focus more on planning activities that are related more with digital tools. In present scenario internet has become the main base of travel and tourism industry. This has led the tourism organizations to develop their marketing plans with the base of higher weight on the digital tools. The internet has become important for tourism since it links the interest of the individuals to travel to different locations and cultures and help the individuals to search and book different services and products with easy access.

B. Research objectives

The objectives of conducting the research can be divided in to two sections as Primary Objectives and Secondary Objectives.

Primary Objective

- To identify the impact of Digital Marketing on Tourism Industry
- To find out the impact of Digital Marketing on organizational supportive function
- To identify out the impact of Digital Marketing on customer supportive function
- To find out the impact of Digital Marketing on social supportive function

Secondary Objectives

- To identify the role of Digital Marketing in Tourism Industry
- To identify the types of services that can be offered to the customers with the use of Digital Marketing
- To identify the factors that influences the customers to move towards Digital Marketing.
- To identify the factors that influences the tourism Establishments to move towards Digital Marketing

II. LITERATURE REVIEW

In the current business world travel and tourism has become an important industry in the Service Sector. It has become one of the key businesses in the rapidly growing economy. As mentioned by Sigala [5] Travel is a method of leisure or an entertainment which people use to relax themselves and traveling has become a part of their life. The tourism can be domestic or International. In present many countries are involved tourism in large scale and all of the countries in the world tend to benefit considerable amount from GDP via Travel and Tourism. As stated by the World Tourism ranking in 2015 “France” has become the most attractive tourism destination in the world and during 2015 86.2 Million Tourists have travelled [6]. The Travel and Tourism industry has become an important concept in the development of each and every country in the world. Considering on the Sri Lankan context it can be identified that Hospitality, Travel and Tourism plays an important role in the economy under the service industry. After the end of Civil war in Sri Lanka it is identified that the Tourism sector and the Tourist arrivals has increased in a significant way. From ancient times up to present days Sri Lanka is considered as one of the best places to travel in the world and after independence in 1948 many travelers and foreign investors arrived to Sri Lanka for various purposes [7] In 1966 the Tourism Industry in the country started to boom dramatically in Sri Lanka. During the time of 1976-1983 the tourist arrivals increased from 24% annually which leads to arrival of 407,230 tourists per year. The majority of the Tourists who are coming to Sri Lanka are from European or Western Countries. As per the figures shown in the Annual Reports of Sri Lanka Tourism Development Authority the highest number of Tourists who are coming to Sri Lanka are from India which leads to 356,729 numbers of tourists per year while China taking the second place with 271,577 numbers of arrivals per year to Sri Lanka. The 30 years of war which stopped in the

recent past added a significant negative perspective to the Tourism activities in the country. During 2006-2008 years the number of foreign visitors who came to the country tends to decrease in a large scale from 599,603 to 438475 [8]. Digital Marketing is one of the key technological trends occurred in the world in recent years. Current Businesses mostly depend on the “Digital Marketing” to continue their marketing and promotional activities [9]. This became a popular concept in 1990s and 2000s and with the development of Digital Marketing the replacement of physical visiting to a place to do marketing and promotional activities and this is more effective compared to the conventional marketing campaigns which are done by many organizations throughout the world. The term Digital Marketing refers to marketing and advertising activities which are done via marketing channels such as websites, mobile apps, social media sites, search engines etc. This is also known as e-marketing, online marketing or web marketing [10]. There are various methods that are been used by the companies who are involving with digital marketing to promote their products such as Search Engine Marketing (SEM), Content Marketing, Influencer Marketing, e-commerce marketing and social media marketing and etc. as methods of digital marketing. These digital marketing methods have the ability to influence the community in a large scale. Especially social media can influence on the marketing and promotional process in many ways and build communication with the customers. Daily billions of people use social media networks and therefore, many businesses tend to use social medial as advertising methods [11]. Social network is a group of internets – based applications which helps the organizations to communicate, interact and share their ideas with each other. In present millions of people use social media networks daily to send and receive content and share their thoughts. The new way of communication has led to change the way of people since it allows them to share their ideas and opinions in various forms. The way how hotels present themselves in social networks and the way they are creating the dialogues with the customers need to be carried out in a proper way not to harm the clear communication between the customer and the business [12] Digital methods perform better when pointing towards target market segments based on the differences in consumer preferences. Digital mediums are also more capable of changing their content to meet the requirements of the target market. Therefore, online methods are more popular among customers than conventional marketing methods [12]. Digital marketing come with an innovative and creative aspect that can be used to attract customers and build brand loyalty [13].

III. RESEARCH METHODOLOGY

Researcher is responsible for selecting most suitable research methodology to discover the reliable findings. Under methodology there are essential criteria needs to identify such as research objectives, population size, sample size, data collection methods and analysis methods. Tourism industry totally depends on customer services. Digital marketing increases the brand awareness among customers. Tourists are highly technology concern people and they just search what they want in internet. It is essential to maintain online marketing approach to get competitive advantage and attract customers.

This research is considered as a predictive research type because it is forecasting relationship between two variables. This study finds the influencing factors of digital marketing. This study is based on the quantitative data so that all findings and results are based on measurements and analysis.

A. Conceptual Framework

The framework has developed with the dependent variable and independent variables.it shows as below:

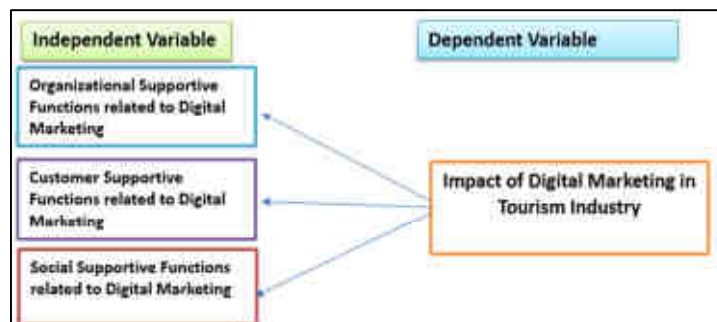


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B. Population and sample

Total population of the study is identified the tourists who visited in Arugambay and the managers and executive level employees of the hotels in Arugambay. 100 samples have been selected by using simple random sampling technique. respondents are the tourists, managers and executive level employees of the Hotel in Arugambay.

This research calls for both primary and secondary data to enter in to a conclusion. Primary data is the most important data category. Questionnaire method used to collect primary data. Each question is related to the research concepts and gives higher accurate data. As supporting resources past literatures were used to construct an effective questionnaire. Mainly questionnaire distribute among customers and hotel managers to collect data. To accomplish the conclusions descriptive analysis and correlation analysis had done by using SPSS 20 statistical software and Microsoft Excel. Based on the objective different analysis methods are used and following Table indicate analysis methods for each objective.

IV. FINDINGS

The questionnaires were distributed among 100 respondents and data were collected based on their responses. Following analysis reveals demographic features in terms of percentages for the respondents.

4.1 Age Group Analysis of Respondents

Out of 100 respondents, 56% of the respondents are between the age group of 40-49 years. Residual 44% is distributed between age group 30-39 and 20-29 with percentages of 13% and 31% respectively. It is evident that 87% of the respondents are age of 30 years or over. It's worth noting that the respondents don't include individuals who are age of 50 years or over.

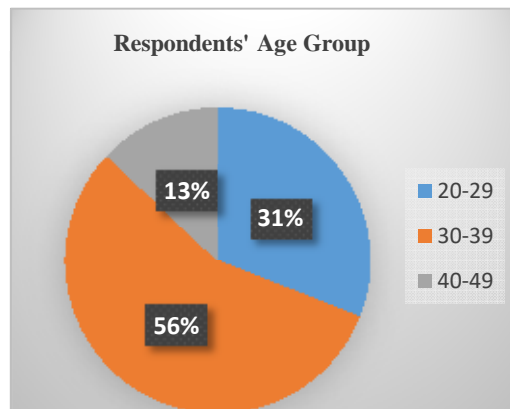


Fig: 2 Respondents' Age Group

4.2 Gender Representation of Respondents

Total respondents base consists of both male and female in equal quantities. As the chart depicts both the genders have represented with 50% each. This equal distribution of gender among the respondent base has created gender unbiased response for the selected context.

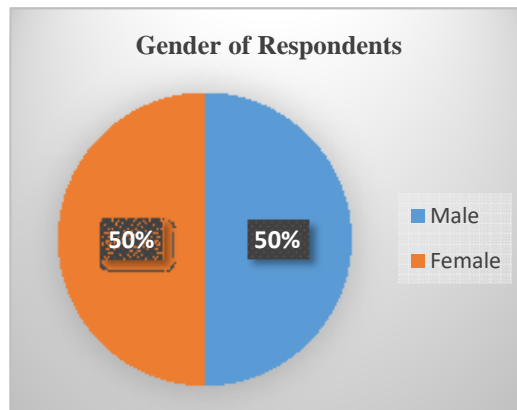


Fig: 3 Gender of Respondents

4.3 Management Level

Among 100 respondents to the questionnaire, below pie chart illustrates the represents information on hotel's managerial level and executive level employees who have responded to the questionnaire. As it depicts, 67% of the respondents from hotel staff consists of 1st level management while rest of the 33% include 2nd level management.

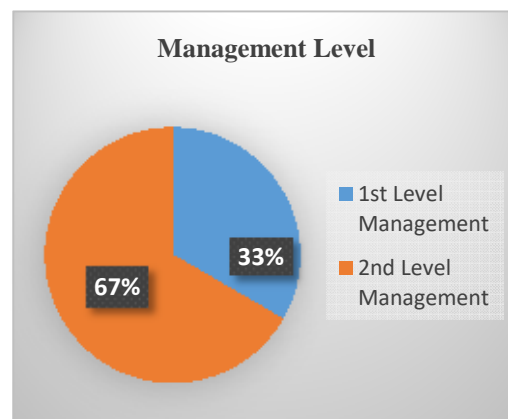


Fig: 4 Management level of Respondents

4.4 Regions of Foreign Tourists

Regional representation of tourists is illustrated through below pie chart. As per its indications, lowest number of tourists have come from Asian countries representing only 5% which also equal to 5 respondents. Tourists from United Kingdom accounts for 44% of the respondents while other countries in European continent represent the majority of residual 51%. As the pie chart depicts, United Kingdom's representation of 44% of respondents can be considered as significant number.

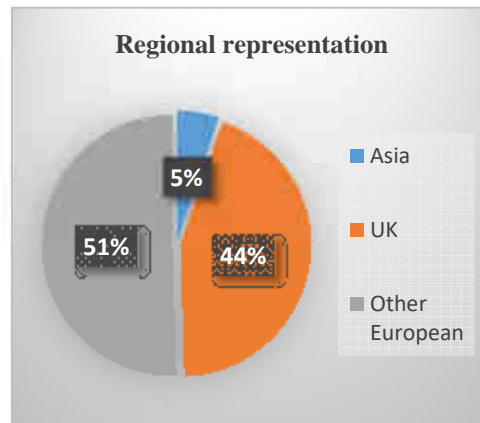


Fig 5: Regional Representation of Respondents

4.5 Frequency of Visits

The pie chart illustrates the number of visits of tourists in Arugambay. According to the illustration, 71% of the tourists have claimed that this is their second to four visits to Sri Lanka. Quarter of respondents are claiming that this is their second visit to the island nation. Both first time visitors and over 5-time victors claim for 2% each. Having over 70% of the respondents claiming their second – fourth visit, the author expects relatively better respond for the questionnaire.

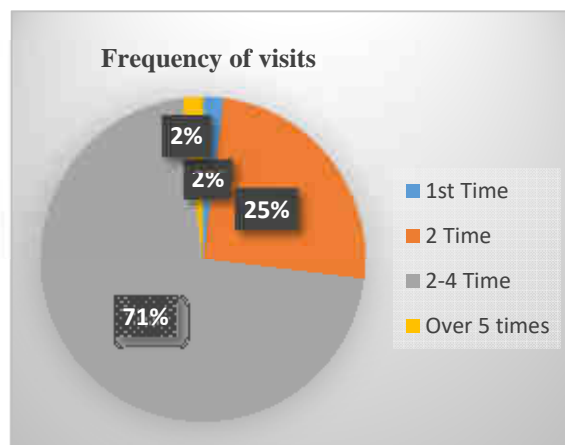


Fig: 6 Frequency visits of Respondents

4.6 Hotel Room Booking Method

Evaluation of booking method for guests in the hotels revealed that 92% of the guests have used internet as their booking medium. This clearly indicates the usage of digital source for booking purposes. Considering phone booking and travel agent booking is only 7% and 1% clear indication of dominance of online booking can be witnessed. From a different perspective this indicates that guest is more interested and willing depend on the company's website to proceed with their bookings.

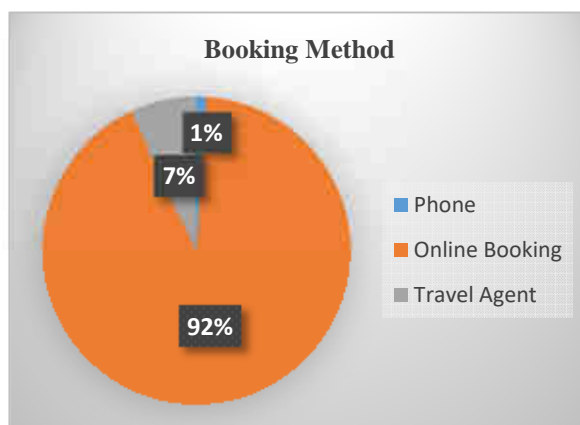


Fig: 7 Booking Methods

4.7 Correlations Analysis

The below table shows the correlation between the four variables such as organizational supportive function, customer supportive function, social supportive function and digital marketing. There is a positive relationship among all variables and organizational supportive function has a strong positive correlation 0.888 with digital marketing. It means applications of digital marketing is mostly interrelated with organizational supportive function. Other factors have weak positive correlation.

Table 1: Correlations Analysis

		OSF	CSF	SCF	DGM
OSF	Pearson Correlation	1	.142	.122	.886**
	Sig. (2-tailed)		.159	.225	.000
	N	100	100	100	100
CSF	Pearson Correlation	.142	1	.965**	.345**
	Sig. (2-tailed)	.159		.000	.000
	N	100	100	100	100
SCF	Pearson Correlation	.122	.965**	1	.359**
	Sig. (2-tailed)	.225	.000		.000
	N	100	100	100	100
DGM	Pearson Correlation	.886**	.345**	.359**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

V. CONCLUSION

In contemporary business world, organizations use digital marketing tools and activities to fulfill number of goals and objectives. Those organizations use Virtual worlds, Social Networks (LinkedIn, Instagram, Facebook) Websites, Blogs, Company Websites, Social bookmarking sites as their digital marketing media. Due to the

increasing level of competition businesses tend to look for various methods to take the upper over its rivals. For such intention digital marketing is perceived as a very good alternative.

This research was done with the core purpose of evaluating the impact of digital marketing for tourism industry. It has developed based on the chosen hotel which is established in Arugambay. The aim of this is to perform an analysis of growth of digital marketing in a tourism industry under three main variables namely Organizational Supportive Functions related to Digital Marketing Customer Supportive Functions related to Digital Marketing and Social Supportive Functions related to Digital Marketing.

As the first objective author proceeded to identify the role of Digital Marketing in tourism industry and found out that usage of digital marketing activities and digital tools in tourism industry increase higher conversation rates and more direct bookings, helps generate high revenue than using traditional methods. More customers will be aware about Sri Lanka in term of tourism and has the potential of delivering higher ROI from digital marketing campaigns. Such roles played by digital marketing have the potential of enhancing overall efficiency and effectiveness of tourism industry.

As per the next objective is to identify the types of services that can be offered to the customers with the use of Digital Marketing and found out utilizing tools such as Virtual worlds, Social Networks (LinkedIn, Instagram, Facebook), Websites, Blogs, Company Websites, Social bookmarking sites can provide services like online booking, customized services based on customer preferences and also to receive feedback from customer to enhance service quality etc.

As the third objective is to identify the factors that influences the customers to move towards Digital Marketing and realized that easy access to company's digital platforms, reliable online services(booking), quick responses on inquiries and opportunities to provide feedback among the factors that draw customers towards the digital marketing at the hotel. Insights drawn from the questionnaire were helpful to determine the factors.

As the final objective the author analyzed the factors that influences the tourism establishments to move towards Digital Marketing. Factors such as ability to reach higher customer base through digital platforms, to get unbiased feedback from the customers and the ability to enhance the overall customer satisfaction through seamless online services that result in improving company's image and profitability among the factors that draw tourism establishments towards digital marketing.

Primary information was drawn through a questionnaire and it has provided with the responses of both guests and employees at the hotel. These finding provided that improving respondents are of high appreciation towards the digital marketing aspect of the hotel. Further analysis in to the data was performed using several statistical methods such as descriptive analysis and correlation analysis.

Such metrics proved that there is statistically significant relationship between the dependent variable and three independent variables. This leads to the premise that more effort, time and resources in to Organizational Supportive Functions, Customer Supportive Function and Social Supportive Functions that are related to Digital Marketing has the potential of improving the growth of digital marketing in the tourism industry.

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